

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 30, 2000

IN RE:)	
)	
BELLSOUTH TELECOMMUNICATIONS, INC.)	DOCKET NO.
TARIFF TO OFFER CONTRACT SERVICE)	00-00567
ARRANGEMENT (TN 99-3321-01))	

**ORDER GRANTING APPROVAL OF BELLSOUTH
CONTRACT SERVICE ARRANGEMENT (TN 99-3321-01)**

This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference on August 1, 2000 on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN 99-3321-01 ("CSA"). BellSouth filed Tariff No. 00-00567 on July 3, 2000, with a proposed effective date of August 2, 2000.

Based upon careful consideration of the tariff filing and the attachments thereto, a majority¹ of the Authority finds and concludes:

¹ Chairman Kyle and Director Greer have consistently voted to approve this specific service type of CSA. Director Greer has voted to approve such CSAs because they benefit consumers and comply with BellSouth's tariffs. Chairman Kyle has stated on the record that the CSAs she votes to approve are a benefit to the consumer who is receiving lower rates and are not harmful to competition. Director Malone voted to deny this CSA consistent with both his reasoning and his votes against approval of similar specific service CSAs. Director Malone has opined in other dockets that approval of such CSAs without a thorough review and analysis may substantially impede the development of a competitive environment because there is not sufficient information available to determine whether the CSAs may be discriminatory, anticompetitive or in violation of state and/or federal law. Director Malone remains of the opinion that termination provisions containing ninety percent (90%) or one-hundred percent (100%) buyout clauses are so potentially anticompetitive as to warrant denial.

1. The purpose of this CSA is to provide Aggregated WatsSaver service to the customer identified in the filing. Aggregated WatsSaver service provides business customers with a guaranteed per minute toll rate that is based upon the customer's commitment to a certain volume of toll usage.

2. The term of this CSA is twenty-four (24) months.

3. Through this CSA, BellSouth is offering the customer discounts on intraLATA toll calls.

4. If the customer disconnects any of the services prior to the expiration of the agreement, the termination provisions require that the customer pay BellSouth the Minimum Monthly Settlement Amount for the remaining contract term.

5. BellSouth provided an addendum executed by the customer stating that the customer was aware of competitive alternatives available to it in Tennessee and that the customer and BellSouth have agreed on the termination provisions and that the termination charges represent a reasonable estimate of BellSouth's damages in the event of termination.


6. BellSouth supplied cost data which indicates that the price of services offered under the CSA exceed their long-run incremental costs. This data indicates that BellSouth has complied with the statutory price floor established in Tenn. Code Ann. § 65-5-208(c).

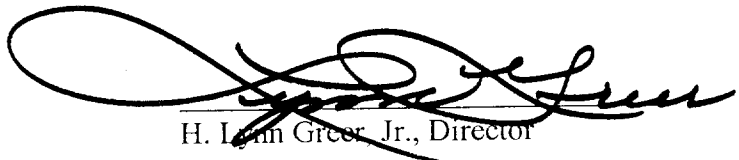
7. No parties sought to intervene in this docket.

Based upon the foregoing, a majority of the Directors of the Authority determined that the CSA in this docket should be granted.

IT IS THEREFORE ORDERED THAT:

BellSouth Telecommunications, Inc.'s Tariff No. 00-00567, which seeks approval of Contract Service Arrangement No. TN 99-3321-01, is hereby granted.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director

Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary

*** Director Malone voted against approval of this specific service CSA.